

**LEGISLATIVE SERVICES AGENCY  
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House  
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**FISCAL IMPACT STATEMENT**

**LS 6340**

**BILL NUMBER: SB 50**

**DATE PREPARED:** Nov 12, 2001

**BILL AMENDED:**

**SUBJECT:** September 11 Terrorist Attack Victim Tax Relief.

**FISCAL ANALYST:** Jim Landers

**PHONE NUMBER:** 232-9869

**FUNDS AFFECTED: X GENERAL  
DEDICATED  
FEDERAL**

**IMPACT:** State & Local

**Summary of Legislation:** The bill excludes from taxable adjusted gross income the amount of compensation paid to an individual who died in the September 11, 2001, terrorist attack, the individual's spouse or child, or an estate or trust of the individual, spouse, or child.

**Effective Date:** January 1, 2001 (retroactive).

**Explanation of State Expenditures:** The Department of State Revenue (DOR) will incur some administrative expenses related to the revision of tax forms, instructions, and computer programs to incorporate this deduction. These expenses can be absorbed given the DOR's existing budget and resources.

**Explanation of State Revenues:** The bill provides an Individual AGI Tax deduction for compensation paid to: (1) An individual who died in the September 11, 2001, terrorist attack, (2) the spouse or child of the individual, or (3) the estate or trust of the individual, spouse, or child. The deduction is effective beginning in tax year 2001. Currently, information as to the potential magnitude of settlement payments and the number of Indiana residents who might receive such settlement payments is unavailable. However, the number of potential settlement payment recipients living in Indiana is presumed to be very small. As a result, any impact the bill may have on income tax revenue is likely to be very small. The deduction is effective for tax years beginning January 1, 2001.

Revenue from the Adjusted Gross Income Tax is deposited in the General Fund.

**Explanation of Local Expenditures:**

**Explanation of Local Revenues:** Any impact the bill may have on counties imposing local option income taxes (CAGIT, COIT, and/or CEDIT) is likely to be very small (see Explanation of State Revenues).

**State Agencies Affected:** Department of State Revenue.

**Local Agencies Affected:** Counties imposing local option income taxes.

**Information Sources:**